

## HOUSE BILL NO. 220

INTRODUCED BY LAKE

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LOCAL GOVERNMENTS TO USE ELECTRONIC FUNDS TRANSFERS IN MAKING PAYMENTS TO THE STATE IF SO REQUESTED BY THE STATE TREASURER OR A STATE AGENCY AND IF THE LOCAL GOVERNMENTS HAVE THE TECHNOLOGY TO CONDUCT ELECTRONIC FUNDS TRANSFERS; AUTHORIZING A STATE AGENCY OR THE STATE TREASURER TO MAKE PAYMENTS TO LOCAL GOVERNMENTS BY ELECTRONIC FUNDS TRANSFER IF THE LOCAL GOVERNMENTS HAVE THE TECHNOLOGY TO RECEIVE PAYMENTS BY ELECTRONIC FUNDS TRANSFER; AMENDING SECTIONS 7-6-2601, 7-6-4501, AND 17-8-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 7-6-2601, MCA, is amended to read:

**"7-6-2601. Details related to county warrants -- payments to state -- definition .** (1) Warrants issued pursuant to 7-6-2202(1) must be signed by the county clerk and the presiding officer of the board of county commissioners, except warrants drawn on the redemption fund.

(2) All warrants issued by the county clerk during each year, commencing with the first Monday in January, must be numbered consecutively. The number, date, and amount of each warrant, the name of the person to whom it is payable, and the purpose for which it is drawn must be stated on the warrant. Warrants must, at the time they are issued, be registered by the county clerk.

(3) Warrants drawn by order of the board on the county treasury for the current expenses during each year must specify the liability for which they are drawn and when the liability accrued.

(4) All payments to the state treasurer or a state agency must be made by electronic funds transfer if requested by the state treasurer or the state agency AND IF THE COUNTY HAS THE TECHNOLOGY TO CONDUCT ELECTRONIC FUNDS TRANSFERS.

~~(4)~~(5) For the purposes of this part, "warrant" includes a check and an electronic funds transfer."

**Section 2.** Section 7-6-4501, MCA, is amended to read:

1       **"7-6-4501. Interest on unpaid warrants -- payments to state -- definition.** (1) When any warrant  
2 drawn upon the treasury of a city or town and pursuant to any ordinance or resolution or direction of the council  
3 of the city or town is presented to the city treasurer or town clerk for payment and the warrant is not paid for want  
4 of funds, the city treasurer or town clerk shall endorse thereon "Not paid for want of funds", annexing the date  
5 of presentation, and signing the treasurer's or clerk's name to the warrant.

6       (2) From the time of the endorsement until the warrant is called for payment, the warrant bears interest  
7 at a rate fixed by ordinance, or if the warrant is subject to purchase for investment by a county as provided in  
8 7-6-2701 and is held by a county, the warrant bears interest at a rate fixed by the board of county commissioners  
9 under 7-6-2701.

10       (3) All payments to the state treasurer or a state agency must be made by electronic funds transfer if  
11 requested by the state treasurer or the state agency AND IF THE CITY OR TOWN HAS THE TECHNOLOGY TO CONDUCT  
12 ELECTRONIC FUNDS TRANSFERS.

13       ~~(3)~~(4) As used in this part, "warrant" includes a check and an electronic funds transfer."  
14

15       **Section 3.** Section 17-8-311, MCA, is amended to read:

16       **"17-8-311. Payments to local government entities -- notice.** (1) For the purposes of this section, the  
17 following definitions apply:

18       (a) "Finance officer" means the county treasurer, city treasurer, town clerk, or the equivalent provided  
19 for in Title 7, chapter 3.

20       (b) "Local government entity" means a public entity that, whether or not governed by the legislative body  
21 of the local government, is required by law to conduct financial affairs through the finance officer of a city, town,  
22 or county. The term does not include a school district or a conservation district.

23       (2) (a) All payments made by a state agency or the state treasurer to any city, town, county, or local  
24 government entity must be payable to the finance officer of the appropriate city, town, or county.

25       (b) Any payment referred to in subsection (2)(a) may be made by electronic funds transfer at the  
26 discretion of the state agency or state treasurer IF THE ENTITY RECEIVING THE PAYMENT HAS THE TECHNOLOGY TO  
27 RECEIVE PAYMENT BY ELECTRONIC FUNDS TRANSFER.

28       (c) If the payment is to be deposited to the credit of a local government entity, the finance officer shall  
29 mail a notice of receipt of the payment to the local government entity. When applicable, the finance officer shall  
30 deposit the payment in the appropriate fund or account to the credit of the local government entity.

(3) If the state agency or the state treasurer is unable to determine if the payee is a government entity, the state agency or state treasurer shall process the claim as if it was not payable to a government entity. The state agency or state treasurer shall also mail a notice of issuance of the payment to the finance officer of the county and city to which the payment was issued.

(4) If a finance officer of a county receives a payment under subsection (2) or a notice of issuance under subsection (3), ~~he~~ the finance officer shall notify the county clerk and recorder that the payment or notice has been received."

**NEW SECTION.** **Section 4. Effective date.** [This act] is effective on passage and approval.

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